



FARTHING
LEGAL, PC

Scot S. Farthing
Shane W. Hiatt
Robert T. Copeland, Of Counsel
Donald W. Martin, Jr., Of Counsel

490 W. Monroe Street
P.O. Box 1315
Wytheville, VA 24382
P: 276-625-0222
www.farthing.legal

March 28, 2024

C.L. Dale Construction Services, LLC
c/o Chris Dale
PO Box 1389
Lebanon, VA 24266

Re: Engagement Letter for Subchapter V Chapter 11 Bankruptcy Case

Dear Mr. Dale:

Thank you for asking my firm, Farthing Legal, P.C., to represent C. L. Dale Construction Services, LLC, ("DALE") in its Chapter 11 bankruptcy case. DALE has one member, which is you, Chris Dale. I am writing this letter to set forth our representation of DALE, which began in November 2023, and I request that you return a signed copy of this letter to my office.

Scope of Engagement

Based upon our discussions and the information you have provided to us at this time, we understand that DALE is the owner of real estate used as collateral for a loan, which is in default, and that lender is threatening and has scheduled a foreclosure sale for some of DALE's real estate holdings. There is a foreclosure sale scheduled for April 5, in Russell County. DALE desires to use a Chapter 11 bankruptcy case, preferably a subchapter V Chapter 11 case, to create more time to restructure its debt, and/or to reorganize DALE's financial matters in order to manage its assets and liabilities in a way to be able to pay all outstanding debt, or paying a portion of the debts of DALE, as required by the bankruptcy code and rules. Accordingly, my firm will represent DALE in its Chapter 11 bankruptcy case in the Western District of Virginia. If DALE is unable to pay the bankruptcy plan payments, the amount required, or propose a bankruptcy payment/reorganization plan sufficient to obtain confirmation of a Chapter 11 plan from the Bankruptcy Court, then DALE would then need to seek a dismissal of its Chapter 11 case or convert it to one under Chapter 7, if the Bankruptcy Court does not allow dismissal of the Chapter 11 case.

ABINGDON
WYTHEVILLE
CHRISTIANSBURG

DALE, LLC Engagement Letter

Dated 3-28-24

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Our representation includes reviewing, preparing and filing with the Bankruptcy Court all necessary and appropriate documents and pleadings in connection with the initiation and prosecution of a Chapter 11 bankruptcy case. We will represent DALE in accordance with applicable state law, bankruptcy law and appropriate federal rules. We shall appear at all hearings for which DALE is required to appear, and shall keep you advised as to all events that take place or that are anticipated in the Bankruptcy Court with regard to DALE's Chapter 11 bankruptcy proceedings. Our representation of DALE is limited to representing DALE in a Chapter 11 bankruptcy proceeding; the firm will not represent DALE if the bankruptcy case is dismissed or converted to another chapter under the Bankruptcy Code, unless a separate engagement agreement is executed for the additional legal work, which may require an additional retainer.

Our Client

Please understand we represent only DALE, unless otherwise agreed in writing. Accordingly, unless I receive direction from you to the contrary, I will not communicate to anyone information about DALE's representation. However, I will communicate with creditors and/or their attorneys' prior to and during the bankruptcy case, as well as potential co-counsel, if needed for any reason.

Your Rights as Our Client

We will keep you informed of all developments in this case. We will copy you on all correspondence and on all pleadings we generate and receive. If you have any questions about the correspondence you receive from our office, please do not hesitate to contact us. We strive to return telephone calls the same day they are received but are sometimes unable to do so. Please understand that because we handle matters in addition to yours, we are not always immediately available.

While we, as your attorneys, will make recommendations on the outcome of your case, the ultimate decisions belong to you. We do reserve the right, however, to make strategic decisions that in our judgment best advance the case to reach the outcome you desire.

Your Responsibilities

You have certain responsibilities that need to be fulfilled in order for us to achieve a successful outcome. You agree to keep us informed of any changes in your address, phone number and email address. You will make yourself reasonably available for telephone consultations, office conferences, and any formal appearances such as hearings required in pursuing your case.

You agree to use your best efforts to provide us with such assistance as you may be reasonably able to provide, and to fully, promptly, and accurately provide all information requested by us. You shall timely execute all necessary and appropriate documentation that may be required in the course of representation. You will meet with us upon reasonable request. You shall perform fully and conscientiously all the statutory duties of debtor and debtor-in-possession under the United States Bankruptcy Code, and shall timely comply with all reasonable requests for information or reports requested by the Office of the United States Trustee, the Clerk of the Bankruptcy Court or any other creditor or party in interest.

Finally, you agree to pay all professional fees as well as costs and expenses (postage, filing fees, witness fees, depositions etc...) for this matter. Attorney fees for Scot S. Farthing, will be **\$350.00/hour**, attorney fees for Robert T. Copeland, Of Counsel, will be **\$400.00/hour**, attorney fees for our associates, will be **\$200.00/hour**; and fees for paralegals will be **\$75.00/hour**. We require that you pay a **retainer of \$15,000.00**, and out of this retainer will come the filing fee of \$1,738.00 for a Chapter 11 Bankruptcy Case, and pre-petition attorney fees.

The retainer will be held in my trust account and used to pay any invoices and fees prior to filing of the Bankruptcy Case, and the filing fee; after filing the Bankruptcy Case, all fees will be approved by the court. After the retainer is depleted, you will be sent an invoice for our services (after fees are approved by the court). We will bill by the tenth (0.1) of an hour. All post-petition (after the bankruptcy case is filed) attorney fees and expenses must be approved by the Bankruptcy Court based upon fee applications. The fee applications or invoices will contain an itemized description of all the services performed, the date of the services, the time spent and the expenses incurred. You shall pay the Bankruptcy Court approved fees and expenses within thirty (30) days from the date of the Order. You will receive statements of our charges and our trust account withdrawals for such charges.


If this letter correctly set forth our understanding and agreement, please sign below to indicate your agreement to these terms. You may keep one copy for your records and return the signed original to my office so that I may begin my representation of you.

Sincerely yours,


Scot S. Farthing

SEEN, AGREED, and ACCEPTED

C.L. Dale Construction Services, LLC.

By: 
Chris Dale, sole member

04-02-2024
Date